

## **NEWS ARTICLE**

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### **Dealing With Debt After the Holidays**

In the aftermath of the gift-giving season, millions of Americans struggle with how to pay the bill for presents and other expenses related to the holidays. For many, overzealous holiday spending may have pushed them into serious and troublesome financial situations, or aggravated existing indebtedness.

Early signs of dangerous personal financial trends include:

- ?? **Not paying bills on time, or juggling which to pay.**
- ?? **Paying only minimum on large credit card bills.**
- ?? **Frequent overdrafts on checking accounts.**
- ?? **Spending all income with no money going to savings.**
- ?? **Being denied credit because of bad credit report.**

If one or more of the warning signs applies, consumers might consider the following guidelines for getting back on track:

- ?? **Determine exactly where the money is going. Draw up a budget and stick to it.**
- ?? **When having problems making payments, contact creditors immediately about alternative, more manageable payment plans.** Do not wait until the matter has been turned over to a collection agency, which might not be willing to negotiate.
- ?? **Check out companies offering debt consolidation loans carefully.** Exorbitant fees, high interest rates and inflated promises can aggravate debt and credit problems rather than ease them.
- ?? **Beware of firms or individuals who offer to "clear up" negative data reported to credit bureaus.** If the negative information is accurate, credit bureaus may report it for at least seven years. Bankruptcies may be reported for 10 years.
- ?? **Avoid using credit cards.** Pay off balances each month. If debt has

accumulated, pay more than the minimum due each month, if possible.

Consumers who fall behind in paying creditors may be contacted by debt collectors. The Federal Fair Debt Collection Practices Act prohibits debt collectors from using harassing, oppressive or abusive tactics when attempting to collect owed money. They cannot use false statements or engage in unfair practices in the performance of their work.

?? Consumers who believe they are victims of unfair debt collection practices should contact the Florida Department of Agriculture and Consumer Services at 1-800-435-7352 to file a complaint.

Those who feel they need more help in solving their debt and credit problems might consider contacting the nearest office of the Consumer Credit Counseling Service (CCCS). CCCSs are local, non-profit organizations, providing education and counseling on personal budgeting and the wise use of credit. Services are free or for a reasonable fee. For the nearest CCCS office, check the phonebook white pages or call 1-800-388-2227.

If you have a question, call Linda Bowman, Family and Consumer Sciences Extension Agent, The University of Florida--Santa Rosa County Cooperative Extension Service--IFAS, at (850)623-3868 or (850)939-1259, Ext. 1360 for south county residents, between the hours of 8:00 a.m. and 4:30 p.m. weekdays. Hearing impaired individuals may call Santa Rosa County Emergency Management Service at 983-5373 (TDD).

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